



June new home sales in the GTA remained low – new projects facing structural barriers; high costs to build

Greater Toronto Area, July 24, 2024 – Greater Toronto Area (GTA) new home sales remained slow in June, with year-to-date sales sitting at nearly half of last year’s record low year-to-date, the Building Industry and Land Development Association (BILD) announced today.

There were 1,339 new home sales in June, which was down 46 per cent from June 2023 and 59 per cent below the 10-year average, according to Altus Group*, BILD’s official source for new home market intelligence.

“GTA new homes sales remained weak in June,” said Edward Jegg, Research Manager at Altus Group. “Where we are seeing activity, new home buyers are finding homes that meet their needs and that they can afford.”

Condominium apartments, including units in low, medium and high-rise buildings, stacked townhouses and loft units, accounted for 732 units sold in June, down 61 per cent from June 2023 and 68 per cent below the 10-year average.

There were 607 single-family home sales in June, up five per cent from June 2023 and 38 per cent below the 10-year average. Single-family homes include detached, linked and semi-detached houses and townhouses (excluding stacked townhouses).

Total new home remaining inventory increased compared to the previous month, to 21,158 units. This includes 17,391 condominium apartment units and 3,767 single-family dwellings. This represents a combined inventory level of 14.5 months, based on average sales for the last 12 months. This remains an exceedingly high inventory level, maintaining the trend seen since autumn 2023 of remaining inventory levels hovering consistently near the 20,000 mark.

“Significant ongoing structural issues, notably the cost to build and lengthy approval timeframes, are hampering the ability for new projects to come to market – and limiting affordability,” said Justin Sherwood, SVP Communications & Stakeholder Relations at BILD. “We are continuing to see some sales return in select regions of the GTA, predominantly single-family homes and outside of the City of Toronto. However, the high costs of material, labour, and land combined with municipal fees (such as development charges) and slow municipal approvals are adding unnecessary costs and delays to new projects. This in turn is causing price stickiness and acting like a brake to new projects. While interest rates will moderate over time, inaction on these structural barriers will have long term consequences to deliver new homes in the in the region.”

Benchmark prices decreased in June for both single-family homes and for condominium apartments compared to the previous year. The benchmark price for new condominium apartments was \$1,023,389, which was down six per cent over the last 12 months. The benchmark price for new single-family homes was \$1,613,613, which was also down six per cent over the last 12 months.

With 1,200 member companies, BILD is the voice of the home building, residential and non-residential land development and professional renovation industries in the Greater Toronto Area. The building and renovation industry provides 256,000 jobs in the region and \$39.3 billion in investment value. BILD is affiliated with the Ontario and Canadian Home Builders' Associations.

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For additional information or to schedule an interview, contact Janis McCulloch at jmcculloch@bildgta.ca or 416-617-7994.

*Altus Group should be credited as BILD's official source of new home market intelligence.